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Message Text

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17
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 H-02 NSC-05 SS-15

STR-04 CEA-01 PA-02 PRS-01 INT-05 FEA-01 AGR-10 IO-13

AF-08 EA-09 EUR-12 NEA-10 /167 W
---------- 109616
R 201532Z MAY 76
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 215
INFO AMCONSUL GUAYAQUIL

UNCLAS QUITO 3662

E.O. 11652: N/A
TAGS: EFIN, OCON, EC
SUBJECT: ECUADOREAN PRESS HIGHLIGHTS FINANCE MINISTER ROBALINO'S SPEECH AT IDB CONFERENCE CRITICIZING IDB AND USG LOAN POLICIES RE ECUADOR

REF: QUITO 3488

1. LEADING ECUADOREAN DAILIES MAY 20 GAVE PROMINENT FRONT-PAGE COVERAGE TO SPEECH BY FINANCE MINISTER, CESAR ROBALINO, AT THE IDB MEETING IN CANCUN, MEXICO, WITH HEADLINES SUCH AS "ECUADOR PROTESTS AGAINST DISCRIMINATION OF IDB IN CREDIT CONCESSIONS" ("EL TIEMPO"), AND "DISSATISFACTION OF ECUADOR AGAINST IDB CREDITS" ("EL COMERCIO"). THE STORIES PROVIDE LENTHY EXCERPTS OF ROBALINO'S SPEECH, INCLUDING THE FOLLOWING (IN EMBASSY'S INFORMAL TRANSLATION):

2. QUOTE: WE MUST EXPRESS REGRET THAT DESPITE THE RECUPERATION EXPERIENCED BY THE INDUSTRIALIZED COUNTRIES, THEY NEVERTHELESS ARE RAISING OBSTACLES TO THE ASPIRATIONS AND COMMERCIAL OPPORTUNITIES OF THE COUNTRIES OF THE THIRD WORLD....
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3. WHILE WE MUST EXPRESS CONGRATULATIONS FOR THE ACTION OF
OUR BANK (IDB)... FOR HAVING ADOPTED FLEXIBLY TO THE
PROBLEM OF DEVELOPMENT OF LATIN AMERICA, WE MUST ALSO
REITERATE OUR DISSATISFACTION THAT ECUADOR, A MEMBER OF
THE GROUP OF RELATIVELY LEAST DEVELOPED COUNTRIES, HAS SEEN
A GRIEVOUS DIMINUTION IN THE VOLUME OF FINANCING FROM THE
BANK DURING RECENT YEARS. EVEN MORE LAMENTABLE IS THE FACT
THAT THE TOTAL OF LOANS FINANCED OUT OF THE FUND FOR SPECIAL
OPERATIONS HAS ARRIVED AT A LIMIT SO LOW THAT WE ARE HARDLY
ABLE TO SAY THAT WE HAVE ACCESS TO THIS TYPE OF SOFT LOAN.
IN SUMMARY, ECUADOR IS RECEIVING A MINOR VOLUME OF FINANCING
FROM THE BANK, WITH A PREPONDERANCE OF CREDITS THAT ARE ON
HARD TERMS AS REGARDS DURATION AND INTEREST.

4. IF WE ADD TO THIS, MOREOVER, THE RATES OF GROWTH OF
COSTS ESPECIALLY FOR CAPITAL GOODS..., WE MUST CONCLUDE
THAT THE RESOURCES DESTINED FOR REAL INVESTMENT HAVE UNDERGONE
A DANGEROUS DECREASE, WHICH WE ARE SURE WILL RETURN TO ADEQUATE
LEVELS IN THE COURSE OF THE PRESENT FINANCIAL EXERCISE.

5. THIS SITUATION CONTRASTS WITH THAT EXPRESSED BY THE
PRESIDENT OF THE BANK IN HIS REPORT AT THE INAUGURAL SESSION,
IN WHICH HE UNDERCORED THAT THE POLICY OF THE INSTITUTION
HAS BEEN TO INTENSIFY SUPPORT FOR THE 15 COUNTRIES, MEMBERS
OF THE BANK, THAT ARE RELATIVELY LEAST DEVELOPED AND HAVE
LIMITED MARKETS. WE WOULD LIKE TO THINK, ACCORDINGLY, THAT
THE SITUATION IN WHICH ECUADOR HAS BEEN PLACED IS NOT AN
OPERATIVELY INSTITUTIONALIZED POSITION; AND AT THE SAME
TIME, TAKING AS A BASIS THE OFT-REPEATED STATEMENTS MADE AT
THIS FORUM, WE ARE CONFIDENT THAT THE MULTILATERAL
PRINCIPLE ON WHICH OUR BANK RESTS WILL PREVAIL OVER ANY
INTENTION ON THE PART OF SOME MEMBER COUNTRY TO IMPOSE
ITS WILL UNILATERALLY, THEREBY DAMAGING THE RIGHT OF OTHER
COUNTRIES TO RECEIVE ASSISTANCE FROM THE BANK UNDER
CONCESSIONAL TERMS AND CONDITIONS. END QUOTE.

6. ACCORDING TO THE PRESS REPORTS, THE MINISTER EXPRESSED
OPTIMISM THAT THE OBSTACLES TO DEVELOPMENT OF THE THIRD
WORLD WILL BE AT LEAST TO SOME EXTENT REDUCED BY THE CURRENT
DISCUSSIONS AT THE UNCTAD IV SESSIONS IN NAIROBI, AND BY
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THE CONSOLIDATION OF SELA AS AN EFFECTIVE INSTITUTION,
MEASURES WHICH HE DEPICTED AS HELPING TO CREATE "A NEW
INTERNATIONAL ORDER, IN ACCORDANCE WITH THE PHILOSOPHY OF
THE INTERNATIONAL CHARTER OF ECONOMIC RIGHTS AND OBLIGATIONS."
THE MINISTER ALSO EXPRESSED GRATITUDE TO VENEZUELA "FOR
HAVING OPENED ITS CAPITAL MARKET FOR THE FLOTATION OF
ECUADOREAN BANKDS"; AND GRATITUDE ALSO TO SAUDI ARABIA FOR
HAVING DECIDED TO PARTICIPATE, ALONG WITH THE IDB, IN THE

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FINANCING OF THE IMPORTANT HYDROELECTRIC PROJECT AT PAUTE
IN ECUADOR.
HEMENWAY

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